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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/585,049	06/01/2000	Henri Waelbroeck	61165-0006	5723

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MORGAN LEWIS & BOCKIUS LLP  
1111 PENNSYLVANIA AVENUE NW  
WASHINGTON, DC 20004

EXAMINER
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NGUYEN, NGA B

ART UNIT	PAPER NUMBER
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3692

SHORTENED STATUTORY PERIOD OF RESPONSE	MAIL DATE	DELIVERY MODE
3 MONTHS	02/14/2007	PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.

**Office Action Summary**

Application No.

09/585,049

Applicant(s)

WAELEBROECK ET AL.

Examiner

Nga B. Nguyen

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 12 September 2006.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1,3-6,9-15,17-20,23-32,35-41,44-56,60-62 and 73-81 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1,3-6,9-15,17-20,23-32,35-41,44-56,60-62 and 73-81 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892)   | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                       | 5) <input type="checkbox"/> Notice of Informal Patent Application                       |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

### DETAILED ACTION

1. This Office Action is the answer to the Amendment filed September 12, 2006, which paper has been placed of record in the file.
2. Claims **1, 3-6, 9-15, 17-20, 23-32, 35-41, 44-56, 60-62, and 73-81** are pending in this application.

### *Response to Arguments/Amendment*

3. Applicant's arguments with respect to claims 1, 3-6, 9-15, 17-20, 23-32, 35-41, 44-56, 60-62, and 73-81 have been considered but are moot in view of new grounds of rejection.
4. Applicant's amendment necessitated the new grounds of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the date of this final action.

***Claim Rejections - 35 USC § 103***

5. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

6. Claims 1, 3-6, 9-15, 17-20, 23-32, 35-41, 44-46 and 73-76 are rejected under 35 U.S.C. 103(a) as being unpatentable over May, U.S. Patent No. 6,421,653, in view of Tozzoli et al (herein after Tozzoli), U.S. Patent No. 5,717,989.

Regarding to claim 1, May discloses a method of managing securities market information, comprising the steps of:

electronically receiving over a computer network data including confidential information regarding securities market participants (column 13, lines 65-67; the credit preference module 76 receives the credit preference inputted by the user);

electronically storing the received data regarding securities market participants (column 14; lines 1-10; the credit preference information is stored in the database 66);

electronically receiving information from a first securities market participant's computer (figures 14A, 14B and column 36, lines 1-45; the system receives passive order from the user);

electronically storing the information received from the first securities market participant's computer (column 36, line 45-column 37, line 50; the system stores and displays orders);

May does not disclose wherein said data is not disseminated to any market participant upon receipt or at any future time and comprises data whose dissemination could affect the price or availability of a security, producing a targeted dissemination list of securities market participants based on said confidential information regarding securities market participants and the information received from the first securities market participant's computer, wherein said targeted dissemination list excludes one or more market participants identified as either unlikely to take the contra side to a specified trade, or likely to use said information received from said first securities market participant's computer in a manner that would affect the price or availability of said security; and electronically transmitting to the securities market participants on the targeted dissemination list data based on the information received from the first securities market participant's computer. However, Tozzoli discloses wherein said data is not disseminated to any market participant upon receipt or at any future time and comprises data whose dissemination could affect the price or availability (column 7, lines 12-13, the buyer's offer includes hidden terms not known to prospective sellers), producing a targeted dissemination list of market participants based on said confidential information regarding market participants and the information received from the first market participant's computer, wherein said targeted dissemination list excludes one or more market participants identified as either unlikely to take the contra side to a specified trade, or likely to use said information received from said first market participant's computer in a manner that would affect the price or availability; and electronically transmitting to the market participants on the targeted dissemination list

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data based on the information received from the first market participant's computer (column 7, lines 10-25, the system transmits the buyer's offer including overt terms to the selected sellers, who respond with offers to sell, which are filtered by the trade system against the buyer's overt and hidden terms; the system references a pre-stored list of sellers having certain characteristics, such as those willing to supply certain goods or services, the buyer selects the type of sellers to which its tender should be transmitted). Therefore, it would have been obvious to one with ordinary skill in the art at the time the invention was made to modify May's to adopt the teaching of Tozzoli above, for the purpose of limiting only the market participants who meet the certain characteristics to receive the offer.

Moreover, May does not disclose wherein said first securities market participant's computer does not receive said confidential trading interest information of said securities market participants and does not receive information about size or composition of said targeted dissemination list. However, keeping the other securities market participants' trading interest information and information about size of composition of the targeted dissemination list confidential are well known in the art. Therefore, it would have been obvious to one with ordinary skill in the art at the time the invention was made to modify May's to adopt the well-known features above, for the purpose of limiting only the market participants who meet the certain characteristics to receive the offer.

Regarding to claims 3-4, May discloses the trading interest is a certified trading interest and comprises the step of certifying trading interest (column 12, lines 27-65, the

central processing center 12 validates any proposed trade when new order are received, performs a second and final credit preference check, creates an order identification code that uniquely identified that order, etc).

Regarding to claims 5-6, May discloses the information received from the first securities market participant's computer includes specific dissemination parameters include certified trading interest requirements (figure 14 A and column 36, lines 1-27; the passive order including order type (bid or ask), price, quantity, how long the order will be good).

Regarding to claim 9, May discloses the confidential information regarding securities market participants induces information regarding investment holdings (column 23, line 55-column 24, line 43; the credit preference).

Regarding to claims 10-13, Tozzoli discloses comprising the steps of:

electronically receiving data from securities market participants on the targeted dissemination list; electronically storing the received data from the securities market participants on targeted dissemination list (column 36, line 45-column 37, line 50; the system stores and displays orders); and electronically transmitting information back to the first securities market participant computer's based on stored data received from securities market participants on the targeted dissemination list, electronically transmitting information based on the stored data received from market participants on the targeted dissemination list to one or more other market participants, the information transmitted back to the first market participant computer includes an interest in negotiation (column 7, lines 10-30 and column 8, lines 5-13). Therefore, it would have

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been obvious to one with ordinary skill in the art at the time the invention was made to modify May's to adopt the teaching of Tozzoli above, for the purpose of limiting only the market participants who meet the certain characteristics to receive the offer.

Regarding to claim 14, May discloses the information electronically transmitted back to the first market participant computer comprises an order (column 49, lines 5-20).

Claims 15, 17-20, 23-28 are written in computer software that parallel the limitations found in claims 1, 3-6, 9-14 above, therefore are rejected by the same rationale.

Regarding to claim 29, May discloses a method of effecting a targeted auction, comprising:

electronically receiving data including confidential information regarding market participants (column 13, lines 65-67; the credit preference module 76 receives the credit preference inputted by the user);

electronically storing the received data regarding market participants (column 14; lines 1-10; the credit preference information is stored in the database 66) ;

electronically receiving information including a first order from a first market participant computer (figures 14A, 14B and column 36, lines 1-45; the system receives passive order from the user);

electronically storing the information received from the first market participant computer (column 36, line 45-column 37, line 50; the system stores and displays orders);



electronically receiving subsequent orders from market participants in response to the transmitted data (column 49, lines 5-20);

conducting an electronic auction among orders including the orders received in response to the transmitted data (column 53, lines 8-30); and

electronically transmitting the status of orders to the respective market participants who initiate them (column 38, lines 35-48).

May does not disclose wherein said data is not disseminated to any market participant upon receipt or at any future time and comprises data whose dissemination could affect the price or availability of a security, producing a targeted dissemination list of securities market participants based on said confidential information regarding securities market participants and the information received from the first securities market participant's computer, wherein said targeted dissemination list excludes one or more market participants identified as either unlikely to take the contra side to a specified trade, or likely to use said information received from said first securities market participant's computer in a manner that would affect the price or availability of said security; and electronically transmitting to the securities market participants on the targeted dissemination list data based on the information received from the first securities market participant's computer. However, Tozzoli discloses wherein said data is not disseminated to any market participant upon receipt or at any future time and comprises data whose dissemination could affect the price or availability (column 7, lines 12-13, the buyer's offer includes hidden terms not known to prospective sellers), producing a targeted dissemination list of market participants based on said confidential

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information regarding market participants and the information received from the first market participant's computer, wherein said targeted dissemination list excludes one or more market participants identified as either unlikely to take the contra side to a specified trade, or likely to use said information received from said first market participant's computer in a manner that would affect the price or availability; and electronically transmitting to the market participants on the targeted dissemination list data based on the information received from the first market participant's computer (column 7, lines 10-25, the system transmits the buyer's offer including overt terms to the selected sellers, who respond with offers to sell, which are filtered by the trade system against the buyer's overt and hidden terms; the system references a pre-stored list of sellers having certain characteristics, such as those willing to supply certain goods or services, the buyer selects the type of sellers to which its tender should be transmitted). Therefore, it would have been obvious to one with ordinary skill in the art at the time the invention was made to modify May's to adopt the teaching of Tozzoli above, for the purpose of limiting only the market participants who meet the certain characteristics to receive the offer.

Regarding to claim 30, May discloses the information received from the first market participant computer includes auction parameters (figure 14 A and column 36, lines 1-27; the passive order including order type (bid or ask), price, quantity, how long the order will be good).

Claims 31, 32, 35 contains similar limitations found in claims 5, 6, 9 above, therefore are rejected by the same rationale.

Regarding to claim 36, May discloses rules governing the electronic auction grant to the first order execution priority over the subsequent orders (column 43, lines 30-50).

Regarding to claim 37, May discloses rules governing the electronic auction prevent the matching of the subsequent orders and an order other than the first order until the first order is canceled or filled (column 38, lines 49-55).

Claims 38-41, 44-46 are written in computer software that parallel the limitations found in claims 29-32, 35-37 above, therefore are rejected by the same rationale.

Regarding to claims 73-76, May does not disclose wherein said targeted dissemination list comprises likely contra parties for said confidential trading interest, excludes contra parties likely to misuse knowledge of said confidential trading interest comprise parties likely to front run, parties likely to peg game. However, Tozzoli discloses wherein said targeted dissemination list comprises likely contra parties for said confidential trading interest (column 7, lines 12-13, the buyer's offer includes hidden terms not known to prospective sellers). Moreover, excluding contra parties likely to misuse knowledge of said confidential trading interest comprise parties likely to front run, parties likely to peg game is well known in the art. Therefore, it would have been obvious to one with ordinary skill in the art at the time the invention was made to modify May's to adopt the teaching of Tozzoli and well known feature above, for the purpose of limiting only the market participants who meet the certain characteristics to receive the offer, in order to reduce the risk in trading for securities market participants.

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7. Claims 47-56, 60-62, and 77-81 are rejected under 35 U.S.C. 103(a) as being unpatentable over May, U.S. Patent No. 6,421,653.

Regarding to claim 47, May discloses a method of evaluating a market participant's trading activities, comprising the steps of:

electronically receiving data regarding a first market participant, wherein the data comprises certified trading activity information (figures 14A, 14B and column 36, lines 1-45; the system receives passive order from the user);

electronically storing the received data regarding the first market participant (column 36, line 45-column 37, line 50; the system stores and displays orders);

producing a measure of the first market participant's trading activity with respect to a standard (column 24, line 43-column 28, line 15; producing a measurement unit of credit risk referred to as risk equivalent);

electronically storing the measure (column 14; lines 1-7; storing the credit preference);

electronically receiving a request from the first market participant to have a report transmitted to a second market participant, wherein the report comprises the measure (column 13, lines 65-67; the credit preference module 76 receives the credit preference inputted by the user);

electronically storing the received request (column 14; lines 1-10; the credit preference information is stored in the database 66); and

electronically transmitting the requested report to the second market participant (column 30, line 20-column 31, line 35).

May does not disclose information describing numbers of shares of a specified security bought and sold by said first securities market participant during a specified time period; wherein said measure is based at least in part on a net change in said first securities market participant's position as determined by subtracting number of said shares of said specified security sold during said specified time period from number of said shares purchased during said specified time period. However, such features are well known in the art of trading. Therefore, it would have been obvious to one with ordinary skill in the art at the time the invention was made to modify May's to adopt well-known feature above, for the purpose of providing more efficiency in trading financial instruments.

Regarding to claim 48, May discloses the standard comprises non-certified trading information disseminated by the market participant (column 29, lines 15-25; creditworthiness).

Regarding to claim 49, May discloses the standard comprises trading restraints set by the market participant (column 36, lines 1-27).

Regarding to claim 50, May discloses the standard comprises system-defined inappropriate trading behavior (column 24, lines 55-65; a measurement unit of credit risk referred to as risk equivalent).

Claims 51-54 are written in computer software that parallel the limitations found in claims 47-50 above, therefore are rejected by the same rationale.

Regarding to claim 55, May discloses a method of managing market information, comprising the steps of:

enabling market participants to target dissemination of trading interests to only those other market participants likely to have a significant contra-interest (column 30, line 20-column 31, line 35; enabling counterparties trading based on credit preference);

enabling market participants to ensure that other market participants' disseminated trading interests are validated as legitimate (column 47, lines 12-63); and

enabling auctions among trading interests targeted and validate as in the above steps (column 53, lines 8-30; the system conducts auction among counterparties based on credit preference).

May does not disclose wherein said enabling comprises, for each order placed by said first securities market participant, creating a targeted dissemination list and ensuring that securities market participants not listed on said targeted dissemination list from receive no information regarding said order. However, keeping the other securities market participants' trading interest information and information about size of composition of the targeted dissemination list confidential are well known in the art. Therefore, it would have been obvious to one with ordinary skill in the art at the time the invention was made to modify May's to adopt the well-known features above, for the purpose of limiting only the market participants who meet the certain characteristics to receive the offer.

Regarding to claim 56, May discloses wherein confidential information regarding securities market participants comprise information regarding positions held in securities, securities trades executed, and active securities orders (column 36, lines 1-27; passive order).

Regarding to claim 60, May discloses wherein confidential information regarding securities market participants comprises confidential information regarding first securities market participant (column 28, lines 15-30; credit preference).

Regarding to claim 61, May discloses wherein confidential information is provided with the understanding that information will be provided to third parties (column 49, lines 37-47 and column 48, lines 5-10).

Regarding to claim 62, May discloses wherein confidential information is provided with the understanding that first securities market participant will be provided with confidential trading interest of other securities market participants (column 29, lines 10-25; providing trader with information regarding the creditworthiness of the counterparty).

Regarding to claims 77-78, May does not disclose wherein said inappropriate trading behavior comprises front running or peg gaming, trade breaks. However, excluding contra parties likely to misuse knowledge of said confidential trading interest comprises parties likely to front run, parties likely to peg game is well known in the art. Therefore, it would have been obvious to one with ordinary skill in the art at the time the invention was made to modify May's to adopt well known feature above, for the purpose of limiting only the market participants who meet the certain characteristics to receive the offer, in order to reduce the risk in trading for securities market participants.

Regarding to claims 79-81, May does not disclose wherein said received data regarding said first securities market participant comprises confidential information provided by said first securities market participant in order to receive better prices on future trades or more order flow; wherein said measure is based at least in part on

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percent divergence between disclosed and actual trading activity of said first securities market participant; wherein said measure is based at least in part on percent divergence between stated trading cap and actual trading activity of said first securities market participant. However, such features are well known in the art of trading securities. Therefore, it would have been obvious to one with ordinary skill in the art at the time the invention was made to modify May's to adopt well-known feature above, for the purpose of providing more efficiency in trading financial instruments.

### ***Conclusion***

8. Claims 1, 3-6, 9-15, 17-20, 23-32, 35-41, 44-56, 60-62, and 73-81 are rejected.

9. Any inquiry concerning this communication or earlier communications from the examiner should be directed to examiner Nga B. Nguyen whose telephone number is (571) 272-6796. The examiner can normally be reached on Monday-Thursday from 9:00AM-6:00PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Richard E. Chilcot can be reached on (571) 272-6777.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Group receptionist whose telephone number is (571) 272-3600.

10. Any response to this action should be mailed to:

Commissioner of Patents and Trademarks

C/o Technology Center 3600



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Washington, DC 20231


Or faxed to:

(571) 273-8300 (for formal communication intended for entry),

or

(571) 273-0325 (for informal or draft communication, please label  
"PROPOSED" or "DRAFT").

Hand-delivered responses should be brought to Knox building, 501 Dulany  
Street, Alexandria, VA, First Floor (Receptionist).

  
NGA NGUYEN  
PRIMARY EXAMINER

November 20, 2006